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09/219,267	12/23/1998	JAY S. WALKER	WD-98109	2012

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EXAMINER
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MYHRE, JAMES W

ART UNIT	PAPER NUMBER
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3622

DATE MAILED: 01/09/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

# Office Action Summary

Application No.  
09/219,267

Applicant(s)  
Walker et al

Examiner  
James W. Myhre

Art Unit  
3622



-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

## Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136 (a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

## Status

- 1) ☒ Responsive to communication(s) filed on Oct 24, 2003
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

## Disposition of Claims

- 4) ☒ Claim(s) 1-64 is/are pending in the application.
- 4a) Of the above, claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-64 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claims \_\_\_\_\_ are subject to restriction and/or election requirement.

## Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.  
If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

## Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some\* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
\*See the attached detailed Office action for a list of the certified copies not received.
- 14) ☒ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).  
a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

## Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892) 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948) 5) ☐ Notice of Informal Patent Application (PTO-152)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s). 27 6) ☐ Other:

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## **DETAILED ACTION**

### ***Response to Amendment***

1. The amendment/request for reconsideration filed on October 24, 2003 has been considered but is ineffective to overcome the Myhre (Examiner's Affidavit), Logan et al (5,721,827), Saxe (5,636,346), and Weinblatt (5,515,270) references.

### ***Priority***

2. The Examiner notes that the pending claims have been considered using the application filing date of December 23, 1998 as the priority date as explained in paragraph 3 of paper number 26.

### ***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1, 2, 6-16, 18, 19, 29-32, 42-44, 49, 51-61, 63, and 64 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit).

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Claim 1: Myhre discloses a method for providing a discount to a customer which includes:

- a. Receiving an indication that a customer is to purchase an item from a merchant;
- b. Providing an offer (discount/subsidy) to the customer from a second merchant (manufacturer/advertiser/service provider) prior to the purchase transaction being completed;
- c. Receiving a response from the customer accepting the offer; and
- d. Applying the benefit (discount/subsidy) to the item.

The Examiner notes that Radio Shack would “present a list of service plans offered by Sprint with their costs and the amount of discount each would bring on the current purchase of the cell phone” once the customer indicated his desire to purchase the cell phone (steps a and b above). If the customer accepted the subsidy offer and completed the Sprint service application form, the discount on the cell phone purchase would be given upon receipt of an approval code from Sprint (steps c and d above). Each of the service plans had various rules which delineated the qualifications needed to be met by the customer and/or cell phone before it was a viable offerable option, e.g. subsidy based on length or terms of service contract, cost of phone, age or other demographics of the customer, etc.

While Myhre does not explicitly disclose that the customer is conducting the transaction on the merchant’s web site, Official Notice is taken that it is old and well known within the retail arts for merchants to conduct business and sell a myriad of products, to include cellular telephones, on the Internet through web sites. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to update the circa 1990 Radio

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Shack system to sell products via an online web site. One would have been motivated to sell products via a web site in order to reach a far wider range of customers. This is the basic reason so many companies have migrated at least part of their product sales to the Internet in the past 10-12 years.

Claim 2: Myhre discloses the method as in Claim 1 above, and further discloses receiving customer information (via the Sprint service application form).

Claim 6: Myhre disclose the method as in Claim 2 above, and further discloses providing an offer based on the customer information (indication of willingness to purchase the cell phone).

Claim 7: Myhre discloses the method as in Claim 2 above, and further discloses requesting and receiving customer information from the customer (completing the Sprint service application form).

Claims 8 and 9: Myhre discloses the method as in Claim 7 above, and further discloses transmitting a question to the customer and receiving the customer's answer (inherent in application forms).

Claim 10: Myhre discloses the method as in Claim 2 above, but does not disclose verifying the accuracy of the customer information. Official Notice is taken that it is old and well known within the information arts to verify incoming data, such as customer information (see col 9, lines 9-14 of Woolston, 5,845,265, submitted by Applicant as item EE on the Information Disclosure Statement filed on May 19, 1999, paper number 5, as support for this Official Notice) .

Therefore, it would have been obvious to one having ordinary skill in the art at the time the

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invention was made to verify the customer information upon receipt. One would have been motivated to verify the accuracy of the information in order to ensure the database is kept as up-to-date and as accurate as possible and to facilitate the approval process by Sprint. If incorrect customer information has been entered on the application form, such as a misspelled name, it may be impossible for Sprint to complete a credit check and issue an approval of the application.

Claims 11-13: Myhre discloses the method as in Claim 10 above, but does not disclose assessing a penalty if the customer information is not accurate. Official Notice is taken that it is old and well known within the information arts to penalize users when the entered information, such as log-in and password information, is not accurate. It is also well known that this penalty may take many forms, such as monetary, denial of service, disconnection, etc. (see col 4, lines 33-39 of Baker et al, 5,884,292, submitted by Applicant as item FF on the Information Disclosure Statement filed on May 19, 1999, paper number 5, as support for this Official Notice). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to penalize the customer for inaccurate information. One would have been motivated to penalize the customer in one of these manners in order to ensure the accuracy of the information retained in the database and to enforce any limitations on the benefit, such as the number of times a customer may receive the benefit within a specified time period, etc. Myhre implies such a penalty when Sprint returns a non-approval (rejection) of the application form, thus preventing the customer from not only receiving the benefit, but also from being able to activate the cell

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phone at the time of purchase (unless another service provider approves a secondary offer to the customer).

Claim 14: Myhre discloses the method as in Claim 10 above, but does not disclose verifying the information prior to consummating the purchase. Official Notice is taken that it is old and well known and would have been obvious to one having ordinary skill in the art at the time the invention was made to verify the customer information prior to processing the transaction (see col 4, lines 33-39 of Baker et al, 5,884,292, submitted by Applicant as item FF on the Information Disclosure Statement filed on May 19, 1999, paper number 5, as support for this Official Notice). One would have been motivated to ensure this prior to completing the transaction in order to prevent entry of fraudulent or inaccurate information into the database, to ensure the purchased item is delivered to the correct address, and to ensure that the credit card data is correct prior to releasing the merchandise to the customer.

Claims 15 and 16: Myhre discloses the method as in Claim 2 above, and further discloses providing the offer after receiving and based upon the customer information (indication of willingness to purchase the cell phone).

Claim 18: Myhre discloses the method as in Claim 2 above, and further discloses that the customer information includes the location or Internet address of the customer (customer address on the application form).

Claims 19, 51, and 54: Myhre discloses the method as in Claim 1 above, and further discloses that the benefit is a reduced price (discount) for the item (subsidized price).

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Claims 29-32: Myhre discloses the method as in Claim 1 above, and further discloses requesting the customer to participate in a transaction with a second merchant (signing a service contract), receiving an indication from the customer agreeing to such participation, and that the agreement is to initiate a service contract with the second merchant.

Claim 42: Myhre disclose the method as in Claim 1 above, and further discloses providing the offer only when a predetermined rule is satisfied (customer indicates willingness to purchase the cell phone).

Claims 43 and 44: Myhre discloses the method as in Claim 1 above, and further discloses provide a plurality of offers from the merchant ("list of service plans") and receiving an indication of a selected offer from the customer.

Claims 49 and 53: Myhre discloses the method as in Claims 1 and 51 above, and further discloses receiving a payment from the second merchant upon acceptance of the offer ("Sprint would reimburse Radio Shack").

Claims 52 and 64: Myhre discloses the method as in Claim 51 above, and further discloses charging the amount, based on the difference between total price and price charged, to the customer, but does not explicitly disclose that it is charged to the customer's credit card. Official Notice is taken that it is old and well known within the retail arts for customers to make purchases using credit cards. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the Radio Shack customer to credit the purchase price to a credit card account. One would have been motivated to charge the purchase price to a credit



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card account in order to eliminate the need for handling large amounts of cash by the customer and merchant.

Claim 55: Myhre discloses the method as in Claims 1 and 29 above, but does not disclose canceling the second transaction upon receipt of a revocation of the acceptance from the customer. Official Notice is taken that it is old and well known within the marketing arts that transaction can be canceled or retracted by the customer prior to completion of the purchase (see col 12, line 58 - col 13, line 8 in Huberman, 5,826,244, submitted by the Applicant as item DD on the Information Disclosure Statement filed on May 19, 1999, as support for this Official Notice). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to cancel the transaction upon receiving a revocation of the acceptance from the customer. One would have been motivate to cancel the transaction in order to provide better customer service and to preclude erroneous shipping of the item to a customer who does not want it.

Claims 56-60 and 63: Myhre discloses the method as in Claim 1 above, and discloses transmitting a form to the customer who completed the form and returns it to the system. However, Myhre does not disclose that the offer is a discount based on the customer's application for a credit card, nor that the customer completes and submits an application form online after the system determines that the customer does not already have another credit card account with the credit card issuer. Official Notice is taken that it is old and well known within the marketing arts to make promotional offers to customers who will complete and submit application forms for

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credit cards (see the Times Newspaper article by Stephen Ellis, "Credit card forms drive down costs", submitted by Applicant as item GG on the Information Disclosure Statement filed on May 19, 1999, paper number 5, which is cited in support of this Official Notice). These offers are not only made at a merchant's point of sale, but are prevalent throughout our "plastic" society. Indeed, with the advent of "sponsored" credit cards several years ago, such as banks and even gasoline companies issuing VISA cards, surveys have shown that each American receives dozens of such offers each year. Indeed, even Radio Shack offered its own brand of credit card and included a percentage discount on your first purchase with it. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include a promotion based on a credit card application by the customer. One would have been motivated to use such a promotion in order to increase the amount of credit available to the customer, thus enticing the customer to spend more at the merchant. One would have been motivated to ensure that the customer did not already have an account with the credit card issuer in order to avoid providing an excessive credit limit to a customer.

Claim 61: Myhre discloses the method as in Claim 1 above and further discloses the second merchant (service provider) providing offers targeted to the specific customer, but does not explicitly disclose sending the customer information to the second merchant prior to receiving the targeted offer. It would have been obvious to one having ordinary skill in the art at the time the invention was made that the second merchant would require the customer information in order to provide an offer targeted to that customer. Therefore, Myhre's disclosure of providing

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targeted offers from the second merchant infers that the customer information has been received by the second merchant prior to selection of the offer. One would have been motivated to provide the customer information after receiving the indication that the customer is willing to purchase an item in order to allow new customers, whose information was just being collected, to participate in the customized offer system.

5. Claims 5, 45, and 62 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit) in view of Logan et al (5,721,827).

Claims 5 and 45: Myhre discloses the method as in Claims 1 and 2 above, but does not explicitly disclose that the offer is from a second merchant who has been selected from a plurality of merchants based on the customer information. However, Logan discloses a similar method and further discloses providing an offer from a second merchant selected from a plurality of merchants based on the customer information (col 9, lines 23-50). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use customer information, such as an indicated preference for a service provider (e.g. Sprint or AT&T), to present an offer to the Radio Shack customer. One would have been motivated to select the offer from a plurality of secondary merchants in order to give the customer greater latitude in the selection of service plans and providers, thus increasing the likelihood that the customer would accept the offer. If, for instance, the customer had several bad experiences with AT&T in the

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past, there would be little incentive, and probably much disincentive, for the customer to accept the subsidy offer if it bound him to a year-long service contract with AT&T.

Claim 62: Myhre discloses the method of Claim 1 above, but does not explicitly disclose that the customer can interact with the system via a customer interface. However, Logan discloses a similar method, and further discloses generating a customer interface for allowing the customer to interact with the system (col 10, lines 51-55). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the Radio Shack customer to interact with the system via a customer interface. One would have been motivated to use such a customer interface to facilitate completion of the application form by the customer, thus eliminating the need to use a facsimile machine to send the completed form to Sprint.

6. Claims 3, 4, 17, and 33-40 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit) in view of Saxe (5,636,346).

Claims 3, 4, and 33: Myhre discloses the method as in Claim 2 above, but does not disclose that the customer information includes a service or service provider. Saxe discloses a similar method in which the customer information includes the customer's "cable account numbers and cable system identification numbers" (col 4, lines 18-27). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include information about Myhre's customer's service and service provider. One would have been motivated to include this information in order to increase the accuracy and utility of the customer

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information database when used for marketing programs, such as Sprint presenting special offers to new customer if they switch their other telephone services (local and/or long distance) to Sprint.

Claim 17: Myhre discloses the method as in Claim 1 above, but does not disclose receiving the customer information from a third party. Saxe discloses a similar method which receives the customer information either directly from the customer as Myhre discloses, or from “third party demographic sources” (col 6, lines 39-48), etc. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to obtain at least part of Myhre’s customer information from third party sources. One would have been motivated to obtain the information in this way in order to further expand the information in the database without requiring the customer to enter a large amount of data.

Claims 34-40: Myhre discloses the method as in Claim 1 above, and Saxe discloses determining the service provider of the customer as in Claim 33 above. However, neither reference discloses the steps involved in changing the customer to the new service provider upon receiving an indication of accepting such a change from the customer. Official Notice is taken that it is old and well known within the art to provide promotional offers for customers to switch from one service provider to another (i.e. AOL vs Prodigy vs Compuserve, etc.)(see page 2 of Stephen Ellis, “Credit Cards Firms Drive Down Costs”, submitted by the Applicant as item GG on the Information Disclosure Statement filed on May 19, 1999, paper number 5, as support for this Official Notice). It is also well known that one will normally cancel any existing service

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agreement with another service provider when initiating a new service agreement with the second service provider (such as when switching long distance telephone service providers). It is also well known to check the second service provider's customer database to ensure that the requestor is not already a customer. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made for the second service provider to check for duplicate membership, to initiate a new service contract with the customer if not a duplicate, and to cancel any existing service contract with the other services providers. One would have been motivated to perform these steps in order to prevent duplication of services being provided to the customer.

7. Claims 20-28, 41, 46-48, and 50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Myhre (Examiner's Affidavit) in view of Weinblatt (5,515,270).

Claims 20-28: Myhre discloses the method as in Claim 19 above, but does not disclose that the price is reduced by a predetermined amount or percentage or reduced to zero (free item) or that the reduction is taken if the price of the item is greater than the reduction amount.

Weinblatt discloses a similar method in which the promotions (offers) "can involve coupons for lowering the price"... "2 for 1 sale, oversize containers sold for the same price, manufacturer rebates, combining one product with another product, free giveaways, eligibility for a prize drawing, etc." (col 8, lines 40-45), Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made that various types of offers could be utilized, to include price reductions based on a predetermined amount, a predetermined percentage, reduction

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of the price to zero (free giveaway), etc. It also would have been obvious to limit the reduction to no more than the total price of the item being purchased. One would have been motivated to include these types of price reduction offers and to place such a limit on the reduction in order to increase the flexibility of the system while preventing the merchant from losing money by actually paying the customer to take the item (if the price reduction exceeded the price of the item).

Claims 41, 46, 47, and 50: Myhre discloses the method as in Claim 1 above, but does not disclose that the offer is made only if the price of the item is greater than a predetermined threshold. Weinblatt discloses a similar method in which the offer (reward) is based on the purchase parameters, such as number of items, item cost, category of item, etc. (col 13, line 11 - col 14, line 19). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to base the offer on various parameters of the purchase information. One would have been motivated to use the price of the item or total payment amount in order to present offers customized to the purchase to increase the likelihood that the customer will accept the offer.

Claim 48: Myhre discloses the method of Claim 1 above, and Weinblatt discloses basing the offer on the item as in Claims 41, 46, 47, and 50 above. Weinblatt also discloses that the advertiser will select the offer (col 13, line 11 - col 14, line 19). This infers that the advertiser is selecting the offer from a plurality of such offers (i.e. if the advertiser only had one offer, there would be no need to make a selection). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to select the offer from a plurality of

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offers. One would have been motivated to have a plurality of offers available in order to increase the range of customers and offers with matching parameters.

***Response to Arguments***

8. Applicant's arguments filed October 24, 2003 have been fully considered but they are not persuasive.

A. The Applicant noted on page 2 that the Examiner's Affidavit used in the rejection of all claims in the last office action had not been notarized and requested the document be placed in proper affidavit form, i.e. redated, resigned, and notarized. The Examiner agrees that the notarization of the affidavit was inadvertently omitted and is providing a notarized copy of the affidavit.

B. The appellant also argues that an Examiner's Affidavit is not substantial evidence based on Zurko IV, 258 F.3d at 1386, In re Gartside, 203 F.3d 1305, 1315, 53 USPQ2d 1769, 1775 (Fed. Cir. 2000), and others. The Examiner notes that these decisions refuted the Board's ability to reject or uphold a rejection based on their own knowledge, understanding or experience without providing substantial evidence. The Applicant argued that this practice by the Board would be analogous to the Examiner's Official Notice. However, MPEP 2144.03, pertaining to the Examiner taking Official Notice, states that when "the applicant traverses such an assertion by the examiner"....."the facts must be supported"....."by an affidavit from the examiner". Thus, an Examiner's Affidavit is required to prove that the claimed feature was within the personal



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knowledge or experience of the examiner. While the Applicant may seasonable challenge by creating “a reasonable doubt regarding the circumstances justifying the judicial notice”, the Applicant has not done so. In the present instance, the Applicant has argued against the Examiner’s Affidavit using such wide ranging arguments as questionable memory, hindsight reasoning, the fact that an affidavit is not challengeable, public use, lack of examiner’s expertise in the art, not being from an unbiased third party, and that it alleges prior but currently discontinued public use (pages 4-6). As for as the last argument, the Examiner notes that the Applicant has submitted printed copies of the Radio Shack website pages from October 22, 2003 attached to the Declaration of Dean Alderucci concurrently filed with the October 24, 2003 Request for Reconsideration. These webpages explicitly show that Radio Shack has continued and is currently still offering discounts on cellular telephones when the purchaser also accepts a service agreement offer from a third party (cellular telephone service provider). For example, on page 1 of the printed webpages, a customer may purchase the IG VX6000 digital camera phone for “\$149.99\* (with a 2-year agreement. \$399.99 without it)”. On page 3, this is even more explicitly discussed where it is disclosed that “\*Advertised prices require 2-year Customer Agreement with Verizon Wireless and credit approval”. This is the same type of third party incentives offered by Radio Shack discussed in the Examiner’s Affidavit with the exception that the cellular telephone service provider has been changed from Sprint to Verizon. Thus, the affidavit does not describe a “prior but currently discontinued public use”, but rather describes an incentive program which has run continuously by Radio Shack from at least 1992. The Examiner is providing an additional

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press release from Tandy Corporation (the parent company of Radio Shack) of October 16, 1996 which shows that Radio Shack was offering a CT-500 cellular telephone “for \$69.99 with activation\*” and that the “Prices require a new activation and minimum service requirement with a Radio Shack authorized cellular service carrier”. It is also shown that the actual price of the telephone is \$169.99 in California due to state legal requirements which preclude the mandatory service activation requirement. Thus, the Radio Shack customer may receive a \$100 discount off the phone with a minimum service contract activation with a third party. The Examiner also notes that Radio Shack is not alone in offering such discounted or free cellular telephones when the customer also signs a customer agreement with a cellular telephone service provider. This practice has been widespread since the beginning of the cellular telephone “revolution” when the actual telephones were so expensive as to preclude wide acceptance by the public without this sort of subsidy.

C. As per the Applicant’s argument that “the events asserted occurred before the Examiner accumulated the experience in searching and analyzing the prior art, the Examiner fails to see how his expertise in searching at that time has any bearing on the method used by Radio Shack salespersons, to include the Examiner, in subsidizing the sales of cellular telephones by offering a service contract with a cellular telephone service provider. The features and steps described in the affidavit remain facts whether the person performing them was an “expert” in patent examining procedures or not at that time.

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D. As per the Applicant's arguments that questions the memory of the Examiner and asserts that the Examiner used hindsight reasoning for remembering the assertions in the affidavit, the Examiner notes that as shown by the October 16, 1996 press release by Tandy Corporation cited above and the October 2003 Radio Shack website print-outs submitted with the October 24, 2003 Declaration of Dean Alderucci Radio Shack has continued to offer substantial discounts on the purchase of a cellular telephone when the customer also initiates a contract for cellular service with an authorized cellular service provider (third party). While neither of these substantiating documents disclose the steps performed by the Radio Shack salesperson, the Examiner's affidavit discloses the steps used by the Examiner in 1991 and 1992 while working for that employer.

E. The Applicant also argues that the Radio Shack website does not allow the customer to purchase the cellular telephone or service plan online (page 8), but only allows the customer to purchase accessories for the cellular telephone (Dean Alderucci Declaration). The Examiner notes that since Radio Shack allows online purchase of at least some items from its online catalog it is obvious that Radio Shack could allow the online purchase of any or all of the items in its online catalog. There is no novelty in allowing the merchant to set or eliminate any restrictions on which items to sell, as desired.

F. The Applicant argues against the use of Official Notice pre se, and then argues each of the instance in which the Examiner has taken Official Notice. In reference to the Official Notice about selling products on the Internet, the Applicant argues that since "Radio Shack does not allow customers to purchase cellular telephones or cellular telephone service plans through their

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web site” it would not have been obvious to do so (page 9). As discussed in the preceding paragraph, the Applicant has admitted per the Dean Alderucci Declaration that customers can purchase various items on the Radio Shack web site. Since the company already sells at least some of its merchandise through their web site, it would have been obvious that the company could expand the number of items available for online purchase to include all or any subset of their total merchandise inventory as they so desired. The Examiner further notes that the Applicant’s claims are not directed towards selling cellular telephones on the Internet, but are claiming as a novelty the cross-selling of a second product or service from a second merchant when the customer purchasing a product from a first merchant. This is exactly what Radio Shack has been doing continuously from at least 1992. The location of where the sales takes place does not alter the steps involved in consummating the cross-sell item sale with the first item sale.

G. The Applicant argues “that nothing thus far suggests selling an item to the customer for an amount that is based on a difference between the total price and the amount of payment charged to the credit card issuer” (page 9). The Examiner notes that in Claim 64 and its parent claims 63, the credit card issuer is the second merchant, i.e. the merchant which is offering to pay part of the purchase price of the first item if the customer purchases (applies for) their product or service (a new credit card). In this light as in the Radio Shack example, the customer pays the difference between the total price of the first item and the amount of the payment that the second merchant pays to the first merchant, i.e. charged to the second merchant (credit card issuer).

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H. The Applicant cites a passage from page 11 of the previous rejection (page 10), but does not present any arguments pertaining to the cited matter.

I. The Applicant argues in reference to Claims 5 and 45 that the combination of “Logan and Myhre would involve, at best, presenting advertisements from difference advertisers to customers” (page 10). However, this does not address the rejection which uses Logan to show the obviousness of providing the offer (i.e. advertisement) from a plurality of second merchants (advertisers) based on information provided by the customer.

J. The Applicant argues in reference to Claim 6 and again to Claims 15 and 16 that “there is nothing in the Myhre document which states or suggests that an offer is in any way based on customer information” (page 10). The Examiner notes that the Radio Shack customer has, at the minimum, provided an indication that he wishes to purchase a certain brand and model of cellular telephone. Based on this brand, model, and price, the salesperson will select and present one or more specific offers from Sprint. Thus, the offer is selected based on information provided by the customer, i.e. customer information. The claims are also broadly claimed and do not limit the customer information to any specific type of information.

K. The Applicant argues in reference to Claim 42 that “Nothing in the Myhre document suggests that an offer is performed only if a predetermined rule (e.g. customer indicates willingness to purchase cell phone) is satisfied (i.e. and not other times)” (page 10). The Examiner notes that since the offer is to reduce the purchase cost of a cellular telephone if the customer applies and is accepted as a customer by a second merchant (Sprint), it would make no

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sense and would be totally inoperable to offer such a service plan to someone who is not purchasing a cellular telephone, i.e. someone who is purchasing electronic diodes and capacitors. Thus, the salesperson would only present an offer to reduce the cost of the cellular telephone to a customer who has indicated a willingness to purchase a cellular telephone, i.e. satisfied a predetermined rule.

L. The Applicant argues in reference to Claims 10 and 14 that the Examiner failed “to explain why the purportedly obvious benefit of verifying information was not performed during the alleged activities” (page 10). The Examiner notes that the Affidavit did not address the verification process since this was performed by the second merchant (Sprint) and not by the salesperson (Myhre) at Radio Shack. However, since it shows that Sprint would provide an indication of approval or disapproval of the customer’s application, some form of information verification was being performed by Sprint. Furthermore, the Examiner cited two of the references provided by the Applicant (items EE and FF on the Information Disclosure Statement filed on May 19, 1999) in support of the Official Notice, which the Applicant has not refuted.

M. The Applicant argues in reference to Claims 11-13 that “Nothing in the Myhre or Baker patent suggests assessing a penalty against the customer” (page 10). However, as discussed in the rejection of these claims Official Notice was taken that it is old and well known to penalize users who enter inaccurate information. And that it was well known that this penalty may take many forms to include monetary, denial of service, disconnection, and other types of penalties. In Myhre if the customer’s information can not be verified, Sprint will not approve the

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application. Thus, the customer will not receive the benefit (i.e. the benefit is canceled (Claims 11 and 12)). Baker also shows that if the information cannot be verified (inaccurate information) the customer is denied the service. Thus, both reference show the well known process of accessing penalties for inaccurate information.

N. The Applicant argues in reference to Claims 56-60 and 63 that “Nothing in Myhre or Ellis suggests such an offer for a reduction in the total price...in exchange for applying for a credit card account with a credit card issuer” (page 10). The Examiner notes that Official Notice was taken that it is old and well known to make promotional offers to customers who will complete and submit application forms for credit cards. The Examiner further notes, as discussed above in the response to the argument in reference to Claim 42, in the instance claims the credit card issuer is acting as the “second merchant” of the other independent claims in that it is the entity which is providing an offer to pay part of the total price of a first item if the customer applies for or purchases one of the second merchant’s products or services. Whether this product or service is a new telephone service account, a credit card account, a cable television service account, or any other type of account or product does not affect the steps of the claims. It is obvious that these steps, the same ones used by Radio Shack and the present invention, can be applied to many types of products and services offered by many types of second merchants. There is no novelty in selecting and claiming a specific service or product if such a selection does not alter the outcome of the process steps.

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O. The Applicant argues in reference to Claim 61 that Myhre contradicts receiving and transmitting the customer information prior to providing the offer (page 11). This is the same argument used against Claims 5, 6, and 16 above. As noted above, the customer provides, at the minimum, an indication of the brand and model of the cellular telephone he desires to purchase before the salesperson can select and present the offer from Sprint.

P. The Applicant argues in reference to Claims 3, 4, 17, and 33-40 that neither reference suggests “receiving customer information which includes a service that is provided to the customer, or a service provider that provides a service to the customer” or “receiving customer information from a party other than the customer” or “determining a service provider that provides a service to the customer” (page 11). The Examiner notes that Saxe discloses that the customer information includes the customer’s cable account number and cable system identification numbers (i.e. service or service provider). Saxe also discloses that such information can be received from the customer or from “third party demographic sources” (i.e. a party other than the customer). Thus, the references show and suggest receiving the customer information from either the customer or another party, and that the customer information may include information about a service or service provider which is currently providing service to the customer.

Q. In response to applicant's argument that there is no suggestion to combine the Myhre and Logan references (page 11), the examiner recognizes that obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where



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there is some teaching, suggestion, or motivation to do so found either in the references themselves or in the knowledge generally available to one of ordinary skill in the art. See *In re Fine*, 837 F.2d 1071, 5 USPQ2d 1596 (Fed. Cir. 1988) and *In re Jones*, 958 F.2d 347, 21 USPQ2d 1941 (Fed. Cir. 1992). In this case, both references pertain to providing an offer by a second merchant to pay part of a bill owed by the customer for the purchase of a product or service from a first merchant. While the types of products and services being purchased and offered differ between the references, similar steps are being used to present the offer to the customer. Thus, one of ordinary skill in the art at the time the invention was made would have realized that these steps could be used with any combination of products and services to include those exemplary ones shown in the two references.

R. Finally, in response to applicant's argument that Myhre, Logan, Ellis, and Saxe is nonanalogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, the references all pertain to conducting purchase transactions in which customer information is received and offers are provided. While the transactions may pertain to various products or service and the offers may pertain to various products or services, it would have been obvious to one having ordinary skill in the art at the time the invention was made to look at many types of transaction and offer systems when developing a complete system.

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***Conclusion***

9. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

10. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

A. Press Release of August 21, 1996, "Fort Worth Outlet Square Offers American Airlines AAdvantage Miles", <http://web.archive.org/web/19971022162925/www.tandy.com/press/fwos-AA>, copyright 1995, pp 2.


B. Press Release of September 11, 1996, "One-Stop Telephone Shopping Returns to America! Sprint, Sprint Spectrum and Radioshack Join Forces", <http://web.archive.org/web/19971022163159/www.tandy.com/press/sprinton>, copyright 1995, pp 2.

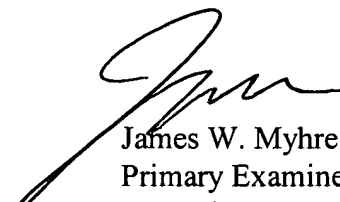
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Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached on weekdays from 6:30 a.m. to 3:30 p.m.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 3600 is (703) 872-9306. Draft or Informal faxes may be submitted to (703) 872-9327 or directly to the examiner at (703) 746-5544.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.

  
JWM  
December 29, 2003

  
James W. Myhre  
Primary Examiner  
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